

July 27, 2022

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

EXECUTIVE SUMMARY

CHILD CARE BULLETIN (CCB) NO. 22-18

The purpose of this Child Care Bulletin is to provide counties and contractors with an overview of child care and development investments and policy changes included in the California State Budget for Fiscal Year 2022-23.



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DIRECTOR

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DEPARTMENT OF SOCIAL SERVICES
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July 27, 2022

CHILD CARE BULLETIN (CCB) NO. 22-18

GUIDANCE TYPE: INFORMATIVE

TO: ALL COUNTY CHILD CARE COORDINATORS
ALL CHILD CARE AND DEVELOPMENT CONTRACTORS
ALL CHILD CARE QUALITY CONTRACTORS AND GRANTEES

SUBJECT: **FISCAL YEAR 2022-23 CHILD CARE AND DEVELOPMENT
BUDGET OVERVIEW**

APPLICABLE
PROGRAMS: CALWORKS STAGES ONE, TWO, AND THREE
ALTERNATIVE PAYMENT PROGRAMS
MIGRANT ALTERNATIVE PAYMENT PROGRAMS
GENERAL CHILD CARE AND DEVELOPMENT PROGRAMS
MIGRANT CHILD CARE AND DEVELOPMENT PROGRAMS
FAMILY CHILD CARE HOME EDUCATION NETWORKS
CHILD CARE AND DEVELOPMENT SERVICES FOR CHILDREN
WITH SPECIAL NEEDS
EMERGENCY CHILD CARE BRIDGE PROGRAM FOR FOSTER
CHILDREN
CHILD CARE RESOURCE AND REFERRAL PROGRAMS
LOCAL CHILD CARE AND DEVELOPMENT PLANNING
COUNCILS
QUALITY IMPROVEMENT PROJECTS

REFERENCE: [ASSEMBLY BILL \(AB\) 210 \(EARLY CHILDHOOD, CHILD CARE
AND EDUCATION OMNIBUS, CHAPTER 62, STATUTES OF
2022\); SENATE BILL \(SB\) 187 \(HUMAN SERVICES OMNIBUS,
CHAPTER 50, SECTION 52, STATUTES OF 2022\); SB 154
\(BUDGET ACT OF 2022, CHAPTER 43, STATUTES OF 2022\); AB
178 \(BUDGET ACT OF 2022, CHAPTER 45, STATUTES OF 2022\)](#)

Purpose

The purpose of this Child Care Bulletin (CCB) is to provide counties and contractors with an overview of child care and development investments and policy changes included in the California State Budget for Fiscal Year (FY) 2022-23. Individual CCBs with specific guidance regarding many of these changes are forthcoming.

Background

The 2022-23 California State Budget continues to build off of last year's historic investments in California's Child Care and Development programs and includes expanded access to subsidized child care, cost of living increases for child care and development contractors, the continuation of specified COVID-19 flexibilities, and several policy changes to further the objectives of the child care and development transition.

The FY 2022-2023 State Budget was enacted via the following bills:

Budget Bill Language

- [SB 154 \(Budget Act of 2022\)](#)
- [AB 178 \(Budget Act of 2022\)](#)

Budget Trailer Bill Language

- [AB 210 \(Child Care and Education Omnibus\)](#)
- [SB 187 \(Human Services Omnibus\)](#)

For an overview of last year's child care and development investments, please refer to [CCB 21-13: Fiscal year 2021-2022 Child Care and Development Budget Overview.](#)

Guidance

The FY 2022-2023 State Budget includes:

Expanded Access to Child Care Subsidies:

- Funding for the annualization of 2021-22 slots, as well as additional child care slots for the 2022-23 fiscal year, including:
 - \$342 million to support the California Alternative Payment Program (CAPP) slots.
 - \$917 million to support General Child Care and Development Program (CCTR) slots.
 - \$35 million in ongoing state general funds to support and expand access to the Emergency Child Care Bridge Program for Foster Children (Bridge Program).

- \$7.6 million to support county operations associated with Bridge Program administration.
- Further, SB 187 amended [Welfare and Institutions Code \(WIC\) section 11461.6](#) to authorize Bridge Program child care vouchers to be used if work or school precludes a family from providing care, and to allow Bridge Program vouchers to be extended for an additional 12 months based on a compelling reason effective September 1, 2022.

Child Care and Development Infrastructure Grants:

- In FY 2022-23, \$100.5 million in federal pandemic relief funds were appropriated for minor renovations and repairs of child care facilities, accounting to a total investment of \$350.5 million between FY 2021-22 and FY 2022-23.
- As a reminder, the budget for FY 2021-22 included \$250 million for the Child Care and Development Infrastructure Grant Program, including:
 - \$150 million in state general funds for new construction and major renovation, and
 - \$100 million in federal pandemic relief funds for minor repairs and renovation.

To learn more about the infrastructure grant program please visit our [Child Care and Development Infrastructure Grant Program webpage](#).

Cost of Living Adjustment:

- A 6.56% cost-of-living adjustment (COLA) will take place effective July 1, 2022, for applicable contracts including CAPP, CCTR, Family Child Care Home Education Networks (CFCC), Migrant Child Care and Development Programs (CMIG), Migrant Alternative Payment Programs (CMAP), Resource and Referral Programs (R&Rs), Children with Severe Disabilities (CHAN) and Local Child Care and Development Planning Councils (CLPC).
- As a result of the 6.56% COLA, rates will be reassessed to ensure counties are receiving the greater of the calculated regional market rate (RMR) daily equivalent rate or the updated standard reimbursement rate (SRR) of \$54.93.
 - Based on this analysis, 16 counties will remain at the calculated RMR daily equivalent rate, including: Alameda (pilot county), Contra Costa, El Dorado, Los Angeles, Marin, Napa, Orange, San Diego, San Francisco (pilot county), San Mateo (pilot county), Santa Barbara, Santa Clara (pilot county), Santa Cruz, Sonoma, Ventura, and Yolo. The remaining counties will receive reimbursement based on the updated SRR of \$54.93.
- Mono and Placer Counties, who moved from the SRR to the RMR for FY 2021-22 based on January 2022 rate changes, will move back to the SRR for FY 2022-23

Child Care Providers United (CCPU) Health and Retirement Benefits

The Budget reflects an agreement between CCPU and the Administration that will provide funding for health care and retirement benefits for California's family child care providers (defined as licensed family child care home operators or license-exempt providers who participate in a state-funded early care and education program). The agreement, which is pending CCPU ratification, includes the following:

- \$100,000 one-time contribution to establish a CCPU-administered health care benefit trust.
- \$100 million one-time contribution payable to the health benefits trust once it is established.
- \$40,000 to design and conduct a survey on CCPU retirement needs.
- \$100,000 one-time contribution to CCPU or its designee to establish retirement trust upon agreement of a retirement benefit model.

Extension of Specified COVID-19 Policies:

- Waiver of family fees until June 30, 2023. For more information, please read [CCB 22-14: Revised Family Fee Schedule for Fiscal Year \(FY\) 2022-2023.](#)
- Continued Hold Harmless Policy:
 - Voucher-based providers will be reimbursed based on the maximum certified hours of care, rather than attendance, from July 1, 2021, through June 30, 2022.
 - Center-based contractors will be paid 100% of the contract maximum reimbursable amount or net reimbursable costs, whichever is less.

Child Care and Development Capacity Building:

- \$20 million for capacity grants to support CAPP with child enrollment and Federal American Rescue Plan Act (ARPA) data collection and reporting.
- \$4.8 million in continued funding authority from the FY 2021-22 budget to support the development of a state-level child care data landscape system to meet the needs of families and the workforce.
- \$10 million to expand the current California Resource and Referral Program in FY 22-23 contracts. An additional \$5 million in unspent funding from 21-22 will carry over into FY 22-23, for a total of \$15 million.

Other Policy Alignments:

- AB 210 amended [WIC section 10441\(d\)](#) to increase the reserve fund threshold from two percent (2%) to eight percent (8%), or one thousand dollars (\$1,000), whichever is greater, that alternative payment model and certificate child care contractors may maintain.
- AB 210 added [WIC Section 10276](#), to implement a provider noticing requirement for all child care and development contracts funded by the federal Child Care and Development Fund (CCDF) to ensure child care providers receive prompt notice of changes to a family's eligibility status that may impact payment, and that such

notice is sent to providers no later than the day the agency becomes aware that such a change will occur, effective September 1, 2022.

- AB 210 amended [WIC section 10223](#) to eliminate the 2:1 local funding match previously required of Resource and Referral (R&R) Programs participating in and receiving Child Care Initiative Project (CCIP) funding.
- AB 210 amended [WIC sections 10208](#), [10213.5](#), and [10281.5](#) to align the term and definition of “Dual Language Learner” across Child Care and Development Programs:
 - Replaces the terms “limited-English-speaking-proficient” and “non-English-speaking-proficient” children with “dual language learners (DLLs).”
 - DLLs are defined as children whose first language is a language other than English or children who are developing two or more languages, one of which might be English.
 - Indicators of quality must focus on meeting the needs of DLLs and staff must possess the appropriate and required training, or any combinations of qualifications, experience, or training. The appropriate staff qualifications shall reflect the diverse linguistic and cultural makeup of the children and families in the child care and development program. The use of intergenerational staff shall be encouraged.

For more information about the California State Budget 2022-2023, please visit [the Department of Finance’s budget summary](#).

If you have any questions or need additional guidance regarding the information in this letter, please contact your Program Quality and Improvement Consultant or CalWORKs Stage One Child Care analyst. You can find their contact information on the [Child Care and Development Division contact webpage](#).

Sincerely,

Original Document Signed By

LUPE JAIME-MILEHAM, EdD
Deputy Director
Child Care and Development Division